

MINUTES OF SPECIAL MEETING
ILLINOIS GAMING BOARD
JUNE 16, 1992
JOLIET, ILLINOIS

A Special Meeting of the Illinois Gaming Board was held at 10:00 A.M. on June 16, 1992 at the Holiday Inn in Joliet Illinois. The Special Meeting was called by Chairman William J. Kunkle Jr. and notice was duly and timely given to each Board Member and to the general public in conformity with Section 42.02 of the Illinois Open Meetings Act.

The following Board Members were present: William J. Kunkle, Jr., Chairman, and Members William J. Chamblin, Robert Vickrey and Michael Zaransky. Also in attendance were Administrator Morton E. Friedman, Deputy Administrators J. Thomas Hutchison, Joseph Mc Quaid and Marcy L. Wolf; Chief Counsel Donna B. More; other Board staff, the media and the general public.

The meeting was called to order by Chairman William J. Kunkle, Jr. at 10:02 A.M.

The first order of business was Empress River Casino Corporation. The Chairman recognized Administrator Morton Friedman.

Mr. Friedman requested permission to conduct a Final Practice Gaming Excursion aboard the Empress. He reviewed the written materials previously sent to the Board regarding the meeting of the requirements of the Act for licensing. He stated that the vessel was handicap accessible, that the internal controls had been reviewed and approved by the outside auditors and that the hiring patterns reflected the local labor market. Mr. Friedman reported that a review of the adequacy of insurance had been done and that the corporation had posted the required \$200 thousand bond.

Chairman Kunkle requested that a motion to approve the Administrator's request be held until later so that the Board could retire to Closed Session after presentation of the remainder of business.

The next order of business was Jo Daviess Riverboat Corporation. The Chairman recognized Mr. Friedman.

Mr. Friedman first asked that the Board recognize Reverend Tom Grey and Ms. Sara Fisher of Galena, Illinois. The Chairman recognized Reverend Grey.

Reverend Grey told the Board the results of a three question county referendum that was part of the Illinois Primary election held March 17, 1992 which found overwhelming opposition to use of public funds to support riverboat casino operations or any expansion of land based gambling or video poker.

Sara Fisher told the Board of continuing concerns over alleged environmental violations against the enterprise. These included allegations that dredging of Frentrass Lake had occurred prior to issuance of permits; that discharge of affluent back to the lake had exceeded the EPA permit; that the Illinois Department of Conservation had indicated that they were studying possible adverse impact to wildlife; and, that the Illinois Historic Preservation Agency had expressed concerns that the docksite might have held significant historical or archaeological resources.

Mr. Friedman noted for the Board that staff was aware of the status of pending litigation.

Ms. Fisher also told the Board that JDRC had advertised that child care would be available for patrons. She stated that the Illinois Department of Children and Family Services had indicated that JDRC could possibly need to meet a licensing requirement to offer and operate child care services and that if such a license was applied for by JDRC that standards of the State Fire Marshall would also need to be met by JDRC. She requested that the Board not issue a temporary operating permit until the issues she had outlined had been resolved.

Reverend Grey stated that the while opponents of the enterprise had been successful in efforts to remove the name "Galena" from the vessel's name, that the JDRC had been advertising that the docksite was "nestled in the hills of Galena." He stated that he objected to such advertising as being misleading; that there were no hills in the Frenress Lake area. He noted that attorneys for the city of Galena were looking into the matter.

Chairman Kunkle noted the results of the non-binding referendum and resolutions that had been submitted to the Board by the City of Galena and the Jo Daviess County Board supporting the results of the referendum. The Chairman further noted that the Board had not received notification from the County Board removing or reversing their permission for a docksite to be located within the jurisdiction. Mr. Friedman confirmed that the county board was continuing their permission.

Mr. Friedman stated that staff needed additional time to examine the concerns expressed about child care and would be in contact with officials of the Department of Children and Family Services. Mr. Friedman noted, however, that the issue would not effect his request for authorization to conduct a Final Gaming Practice Excursion. Mr. Friedman noted that the correspondence that had been referred to by Ms. Fisher had been addressed to Mr. Dan Petigout, the owner of the Frenress Lake Marina, not to officials of JDRC. He stated that Board staff had investigated whether officials of JDRC had requested or condoned any alleged violations of law by Mr. Petigout and had concluded that JDRC had not.

Mr. Zaransky asked whether the U.S. Coast Guard had awarded an operating permit to the Silver Eagle and whether that had any relationship to concerns of the U.S. Army Corps of Engineers. Mr. Friedman responded that the two entities had no relationship and that the concerns of the Illinois Historic Preservation Agency had been resolved. He also reviewed the status of pending actions of the Corps of Engineers concerning the dredging of Frenress Lake. There was no further discussion.

Mr. Zaransky moved that pursuant to the provisions of Illinois Revised Statutes Chapter 102, Section 42.02 (g), (h) and (k) that the Board retire to Closed Session. Mr. Chamblin seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 10:24 A.M.

The Illinois Gaming Board reconvened its Open Session at 10:52 A.M. There was no change in the attendance of Members. Chairman Kunkle recognized Member Zaransky.

Mr. Zaransky moved that the Administrator be authorized to conduct a Final Practice Gaming Excursion with respect to applicant Empress River Casino Corporation. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Chamblin next moved that the Administrator be authorized to conduct a Final Practice Gaming Excursion with respect to applicant Jo Daviess Riverboat Corporation. Mr. Zaransky seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote. It was noted that the Final Practice Gaming Excursion would be conducted on June 17, 1992 at 2:00 P.M.

The next order of business concerned the pending appeal of Riverboat Development Corporation. Mr. Zaransky moved that the request of applicant Joseph Terrell to withdraw his appeal and request for hearing before the Administrative Law Judge be granted. Mr. Chamblin seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Chamblin next moved that the request for leave of the Board to withdraw the application received from Riverboat Development Corporation be denied. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Administrator next advised the Board that applicant Arch View Casino Cruises Incorporated had filed a request for a hearing before the Administrative Law Judge. He noted, however, that the request received was improper as it did not request a de novo hearing as allowed under the Act and Board Rules. Mr. Friedman requested that the Board deny the request for hearing and afford the applicant to properly reapply for a hearing.

Mr. Zaransky moved that the Request for Hearing received from applicant Arch View Casino Cruises Incorporated be denied and that the applicant be given an additional five days to file a request for hearing. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

There being no further business to come before the Board, the meeting was adjourned, without objection, at 10:55 A.M.

Respectfully submitted,

James A. Nelson
Secretary of the Board

